



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Assistant Secretary
for Budget and Programs
and Chief Financial Officer

400 Seventh St., S.W.
Washington, D.C. 20590

May 7, 2004

MEMORANDUM TO: Heads of Operating Administrations
Departmental Officers

FROM:

Linda M. Combs

SUBJECT

Accelerated Financial Statement Deadlines

I greatly appreciate the commitment that each of you has demonstrated in meeting the objectives set forth in the President's Management Agenda for financial management. As a result of your efforts, we received our third consecutive unqualified clean audit opinion on our DOT consolidated Financial Statements. We have made tremendous progress, but still have many challenges ahead.

This year we will be further challenged to re-engineer our processes to meet the November 15, 2004, accelerated audited financial statement due date set forth by the Office of Management and Budget (OMB).

To meet the accelerated requirement, all segments of your organization -- financial management, budget, procurement and program offices -- need to work together to streamline end of year processes and activities. To minimize the increased volume of transactions at year end, everyone is encouraged to keep their work current and to submit their documents prior to the due dates listed. We encourage you to involve and to energize all elements of your organization to work together to achieve these goals.

As a result of the accelerated schedule there will be no post September 29, 2004, "grace period" or "pipeline obligations". Estimates will have to be made and entered into Delphi for any FY 2004 transactions that occur after the deadlines. For further reference on estimates and their related accruals, see Policy on Preparing Accruals for Monthly Financial Statements.

Attached are detailed responsibilities and due dates for accounting operations, acquisitions/procurement, administrative/program officers and personnel/human resource office. Questions from your staff should be directed to Laurie Howard at 202-366-2135 or laurie.howard@ost.dot.gov.

Attachment

ACCOUNTING OPERATIONS GUIDELINE FOR FISCAL YEAR 2004 AND 2005
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I. Document Due Dates for Accounting Operations:

The last day the Department of Transportation (DOT) Delphi accounting system is available for transaction processing for FY 2004 is September 29, 2004. Items that have not been received by this deadline must be estimated and accrued. Items received in the accounting office after deadlines listed below may be accrued along with audit adjustments. You should submit accruals prior to the due dates listed to minimize these adjustments. For further reference on estimates and their related accruals, see Policy on Preparing Accruals for Monthly Financial Statements.

A. *Obligating Documents*

Administrative officers and program managers must ensure all obligations are posted in the DOT Delphi accounting system by mid-September. This includes purchase orders, travel orders, grant obligations, and reimbursable agreements. By posting this data on a timely basis, resource managers are provided up-to-date information to review year-end balances to ensure there are no anti-deficiency violations.

1. **Purchase Orders (POs)** – All POs must be received in the accounting operations office by close of business on September 10, 2004. The accounting operations office must have these posted by September 17, 2004.
2. **Blanket Purchase/Delivery Orders** - Estimated obligation amounts must be established for all blanket purchase/delivery orders and forwarded to the accounting operations office by close of business September 10, 2004, and all delivery tickets must be posted by the accounting operations office no later than September 17, 2004.
3. **Training POs or Training forms (SF-182's)** - POs for training must be reviewed by August 25, 2004, to ensure the training will begin prior to October 1, 2004, or meet the Bona Fide Needs Rule according to GAO Redbook. If the training takes place after September 30, 2004 and does not meet the Bona Fide Needs criteria the training must be canceled and reentered by the accounting operations office no later than the close of business on September 10, 2004.
4. **Miscellaneous Obligations for Rents, Communications, and Utilities** – These must be reviewed for posting in the proper fiscal year by the administrative officer or program office and necessary adjustments forwarded to the accounting operations office by close of business on September 10, 2004.

5. **SF-1164, Claim for Reimbursement for Expenditures on Official Business** – SF-1164s must be submitted to the accounting operations office by close of business on September 10, 2004. Submission of the 1164s after September 10, 2004, must be on a limited basis and will have to be accrued.
6. **Other contractual service contracts** – This is for those other items that have not been previously mentioned, such as interagency agreements or grant obligations. They must be reviewed to determine the level of firm requirements for the balance of FY 2004. Documents must be received by the accounting operations office no later than close of business on September 10, 2004.

B. Travel

All Travel Orders (TOs) must be received in the accounting operations office by the close of business on September 10, 2004, and posted by September 17, 2004. Items that have not been received by this deadline must be accrued. *Note: Obligations established where travel will not start prior to October 1, 2004, must be canceled and re-obligated in FY 2005.*

1. **Annual Travel Orders** – Annual travel orders for FY 2004, expire September 30, 2004. Annual travel orders for FY 2005 must be received by the accounting operations office by September 10, 2004, to provide for travel in the first part of October.

All Permanent Change of Station (PCS) Travel Orders – All PCS TOs must be received in the PCS accounting office by close of business September 10, 2004.

3. **Emergency Travel Orders** – Emergency travel orders issued after September 3, 2004, must be approved by the budget office and received in the accounting operations office by close of business on September 10, 2004. Emergency travel orders generated after September 10, 2004 must be accrued.
4. **Employee Travel Overpayments** - All moneys owed the Government for travel and advances pertaining to individual trip orders over and above the travel vouchers must be repaid by September 13, 2004, or upon notification. Each traveler is notified in writing of any moneys owed when the voucher is processed.
5. **PCS Travel Vouchers** – All PCS Travel vouchers must be received in the PCS accounting office by close of business September 10, 2004, to ensure the payments get processed before the cut-off.
6. **Monthly Travel Vouchers** - Employees of those program offices which normally submit one voucher for the entire month's travel must submit vouchers for travel completed through September 10, 2004, and for each trip thereafter, with the final voucher received in the accounting operations office by close of business on

September 23, 2004. *Note: Trip travel orders (and notifications of travel on annual orders) which cover travel beginning prior to October 1, 2004, and extending past October 1, 2004, (those that cross fiscal years) must contain both the FY 2004 and FY 2005 appropriation accounting classifications. Therefore, a traveler who will be in travel status during the last of FY 2004 and extending into FY 2005 can submit one travel voucher to cover the entire trip.*

C. *Certified Invoices/Receiving Reports*

All administrative and program managers must ensure that all certified invoices and receiving reports are provided to the accounting office on a timely basis. The final cut-off-date for accounting to receive them is close of business on September 23, 2004. Items that have not been received by this deadline must be accrued.

D. *Intra-governmental Payment and Collection System (IPAC)*

Any requests for receiving reports to support payment of invoices or request for information regarding IPAC payments must be promptly forwarded to ensure timely expenditure processing. This information will be critical to minimize accruals necessary at the end of the year providing a cleaner financial picture for management and auditors.

The last day to initiate an IPAC payment with a Department outside of DOT is September 29, 2004. However, the last day to initiate an IPAC within DOT is September 24, 2004.

E. *Purchase Card Transactions*

- 1 **Card Purchases** - Routine Government Bank of America MasterCard Credit Card Purchases must be suspended after September 17, 2004. Purchases may still be made after September 17, 2004 however, items for FY 2004 that have not been received by this deadline must be accrued.
2. **Card Allocations** - All purchase card transactions processes through Electronic Account Government Ledger System (EAGLS) must be allocated to the correct line of accounting on a timely manner. Customers not currently using EAGLS must send the breakout of the last billing period as soon as possible. Credit card transactions that occur in the interim period must be posted as an accrual entry. The final cut-off-date to allocate is September 25, 2004. Items that have not been received by this deadline must be accrued.

F. *Government Bill of Lading (GBL)*

Items moving on a GBL, except PCS, must be picked up prior to October 1, 2004, to be a valid obligation for FY 2004. All GBL's must arrive in the accounting operations office by close of business on September 10, 2004. Also, for shipment of

household goods (object class 2221 and 255B), September 13, 2004, is the last date for adjustments from estimates to actual. Items that have not been received by this deadline must be accrued.

G. *Accruals*

All administrative and program managers must provide all necessary accrual information to the accounting operations office. Accruals will include all pipeline transactions. The final cut-off-date for the accounting office to receive for posting is September 23, 2004. Items that have not been received September 23rd must be accrued. Accruals will include both proprietary and budgetary SGLs .

H. *Reimbursable Programs and Refunds*

Estimated reimbursements and/or transfers - For the month of September, estimated reimbursements and/or transfers must be received in the accounting operations office by close of business September 10, 2004. These estimates will be established by September 13, 2004. Items that have not been received by this deadline must be accrued.

2. **Miscellaneous Reimbursements and/or Transfers** - Miscellaneous charges (estimated or actual) must be properly recorded by the accounting operations office before September 17, 2004. Items that have not been received by this deadline must be accrued.

II. Document Due Dates for Acquisition/Procurement:

All procurement documents must be completed early to ensure that contracts can be awarded in time for the obligation to be entered into the DOT Delphi accounting system before the end of the fiscal year. Obligor documents that are for FY 2004, but not received in the accounting office by the deadlines must be recorded in Delphi prior the end of the fiscal year. For further reference on estimates and their related accruals, see Policy on Preparing Accruals for Monthly Financial Statements.

A. *Simplified Acquisitions (Purchase Requests(PR)& GSA Schedule Orders)*

1. **PRs subject to the availability of FY 2004 Funding** - All orders for FY 2004 must be certified for funds availability and sent to the contracting officer for action by August 13, 2004.
2. **PRs subject to the availability of FY 2005 funding** - To ensure positive fiscal control, all PRs submitted to contracting "Subject to the availability of FY 2005 funding" must first be routed through the appropriate budget offices and approved before sending to the contracting officer.

B. Contracts

1. **New Sole Source Contracts** – All documents for FY 2004 must be certified for funds availability and sent to contracting officer for action by July 26, 2004.
2. **New Contracts for Commercial Items** - All documents for FY 2004 must be certified for funds availability and sent to contracting officer for action by July 26, 2004.
3. **Exercise of Options** – All documents for FY 2004 must be certified for funds availability and sent to contracting officer for action by August 6, 2004.
4. **Interagency Agreements** - All documents for FY 2004 must be certified for funds availability and sent to contracting officer for action by August 20, 2004.
5. **Funding Modifications Under Existing Contracts** - All documents for FY 2004 must be certified for funds availability and sent to contracting officer for action by August 20, 2004.
6. **PRs subject to the availability of FY 2005 funding** - To ensure positive fiscal control, all PRs submitted to contracting "Subject to the availability of FY 2005 funding" must first be routed through the appropriate budget office and approved before sending to the accounting operations office. Documents must be received by the accounting operations office no later than close of business on September 10, 2004.

C. Purchase/Delivery Orders/Change Orders, Requests for Training (SF-182)

Each contracting officer authorized to issue purchase/delivery orders and SF-182, Requests for Training, must submit copies of such orders in the normal manner prior to September 10, 2004. After that date, these will be reviewed either by the budget office or the funds administrator before they are released to the vendors or the accounting operations office for obligation to ensure proper funding and impacts are realized.

III. Administrative Officers/Program Managers Requirements:

All procurement documents must be completed or modified early to ensure that they are entered into the DOT Delphi accounting system before the end of the fiscal year. Procurement documents that are for FY 2004, but not received in accounting by the deadlines must be accrued. For further reference on estimates and their related accruals, see Policy on Preparing Accruals for Monthly Financial Statements.

A. Procurement Request (PR)/Commitments

All PRs must be certified for funds availability and submitted to contracting officer for action by August 13, 2004, to ensure contracting action and subsequent obligation takes place prior to fiscal yearend. (Major procurements may take a longer lead-time).

B. Purchase/Delivery Orders

- 1 Before September 3, 2004** – Submit purchase and delivery orders to contracting officers following normal business practice.
- 2. After September 3, 2004** - Purchase and delivery orders must be reviewed by the budget office or the funds administrator before releasing to vendors or submitting to the accounting operations office for obligation.

C. Obligation Review – Monthly and Weekly at year-end

Administrative officers and program managers must review all open obligations on a monthly basis and weekly in August and September. This process must encompass the following processes:

- 1 Review Obligations** – Work with requisitioners to review and determine whether agreements, contracts, purchase orders, etc., have been completed including final payment, or determine whether valid unpaid obligations exist and goods or services are still needed. Review obligations for goods and services received but not yet paid, expedite payments as required, return unacceptable goods and adjust or de-obligate the invalid (excessive) amounts obligated as appropriate.
- 2 Cancel orders/Contracts** – Cancel orders or contracts for goods or services that are no longer needed or orders that are not likely to be delivered and de-obligate the excess amounts.
- 3. Eliminate Invalid Obligations** – De-obligate those obligations that are no longer valid. At year-end all invalid obligations both in the current fiscal year (2004) and prior fiscal years (1999- 2003) must be de-obligated so that financial records provide an accurate picture of obligated balances. This will also maximize the availability of budget authority for paying invoices.
- 4. Adjustments to Records** - Oversee and coordinate the review, reconciliation and preparation of adjustments to the DOT Delphi accounting and supporting systems to accurately and appropriately reflect accounting transactions. Identify and submit correcting entries to the accounting operations office by close of business of September 10, 2004.

IV. Personnel/Human Resource Office:

Cash Awards

Requests for Personnel processing for cash awards under the Incentive Awards Program must be received by the Personnel office prior to close of business August 19, 2004, in order to be paid from FY 2004 appropriations.